



PALATKA MUNICIPAL AIRPORT
Lt. Jasper Kennedy "Kay" Larkin Field (28J)

4015 Reid Street, Highway 100
Palatka, Florida 32177

386-329-0149 office
386-312-2230 fax

AGENDA
Airport Advisory Board Regular Meeting
October 7, 2020

- 1. WELCOME OF GUESTS & CALL TO ORDER**
 - a. Roll Call
 - b. Approval of Minutes From Previous Meeting (August 5, 2020)

 - 2. CHAIRMAN'S COMMENTS**

 - 3. PUBLIC COMMENTS**

 - 4. AIRPORT UPDATE**
 - a.) Monthly Business Report/Airport Financial Report
 - b.) Discussion on Rental Rates Recommendation Cont.
 - c.) Strategic Visioning/Planning Session Cont.

 - 5. CLOSING COMMENTS**
 - a.) Announce Next Meeting:
-

Minutes

Airport Advisory Board Meeting

September 2, 2020



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MINUTES
Airport Advisory Board Regular Meeting
September 2, 2020

Proceedings of a virtual meeting, pursuant to Governor DeSantis' Executive Order Number 20-69 issued on March 20, 2020 held on September 2, 2020.

1. WELCOME OF GUESTS & CALL TO ORDER

Call to Order 12:00 by Chairman Neufeld

Begins at 36:56 on the YouTube recording

<https://www.youtube.com/watch?v=0aMJKvQhJN4>

a. Roll Call

BOARD MEMBERS PRESENT: JUD NEUFELD, CHAIRMAN
WAYNE MCCLAIN
MELISSA MILLER
JOHN BROWNING
DANA JONES
JOHN BROWNING
HUGH RAWLS

BOARD MEMBERS ABSENT: KEN JOHNSON

COMMISSION LIASON PRESENT: MARY LAWSON BROWN

OTHER ATTENDEES:

John Youell, Airport Manager; Donald E. Holmes, City Manager; Sunni Krantz, Administrative Assistant to the City Manager; Mandi Tucker, Grants and Project Administrator; Valeria Bland Thomas, Interim City Attorney; Debra Robinson, Human Resources Director; Andrew Holesko, Passero Associates; Daniel Jablansky, Passero Associates; Matt Singletary, Passero Associates; Kyle Coffman, Florida Department of Transportation

b. Approval of Minutes from Previous Meeting (August 5, 2020)

Begins at 38:23 on the YouTube recording

MOTION to approve the Minutes of the August 5, 2020 Airport Advisory Board meeting by Mr. McClain

SECONDED by Ms. Jones.

MOTION PASSES UNANIMOUSLY.

2. CHAIRMAN’S COMMENTS

Chairman Neufeld gave condolences for the passing of Steve Sheridan, a friend of the airport since the 1950’s.

3. PUBLIC COMMENTS (Speakers limited to chat feature on YouTube live or call in at 386-329-0100 for comments or questions– no action taken on items)

Begins at 38:50 on the YouTube recording

4. AIRPORT UPDATE

a. Review of Airport Financial Status

Begins at 39:45 on the YouTube recording

Ms. Becker provided the Airport’s Financial Report. This Financial Report is available for public review upon request to the Airport Manager. Ms. Becker said that the Airport currently has a shortfall of \$470,008, however, these funds will come from grant funds from the FAA and FDOT. She said that it takes a little while for the reimbursement to come back to us. If the money is not refunded, the funds would come from the General Fund.

Ms. Becker shared the revenues, operating expenses, and capital outlay with the Board. Debt service will continue until 2023.

Discussion commenced regarding credit card fees from fuel sales. Ms. Becker said that these are fees are paid by the Airport. Mr. McClain said that an option the Airport should look into is to push these fees to the customers as the Airport’s fuel prices are low.

Ms. Becker spoke regarding the amount of money needed to transfer funds from the General Fund to balance the Airport’s budget.

	Budget 2020	Actual 2020 *as of August 2020	Budget 2021
Transfer in from General Fund to Balance Budget (with debt service included)	\$(158,520.00)	\$(51,764.64)	\$(211,108.61)
Transfer if Debt was not included (Ends FY 2023)	\$6,256.00	\$27,657.90	\$(53,351.61)

Mr. Holmes asked about the difference in the budgeted shortfall amount for 2020 and the actual 2020 shortfall as of August. Ms. Becker advised that some of the debt service payments are due September 30 which is partially causing the large difference between the actual August 2020

amount of \$-51,764.64 and the projection of for the Fiscal Year 2020 \$-158,520.00. Next year, the shortfall is expected to be \$-211,108.61, which is due in part to reimbursement to General Fund, offering 2% raise to employees at the airport, increase in pension rates, and increase in health insurance rates. The budgeted bottom line for this year, if we did not include debt service, would be \$6,256.00. Mr. Browning spoke regarding his concern that the Airport is projected at a \$53,351.61 loss for next year. He said that at some point we may want to look into leasing or privatizing the Airport, as the City has done for the Golf Course. Discussion continued regarding thoughts of privatizing. Mr. Holesko said that 20% of the neighboring airports are run by government municipalities, but the majority are privately run.

Ms. Becker advised that there is a \$170,000 debt on the books that is an advance from previous years (as much as 10 years ago). The auditors suggest that if there is ever a profit from the Airport that we apply it to this advance, if not we will have to write it off. Ms. Becker said that it has been left on the books for accounting purposes. However, if we see that the Airport will never be able to pay it down, we will need consider writing it off. Ms. Becker said she believes that the intention was to keep it on the books until fiscal year 2023 (because of the debt service). Ms. Becker said that she is bringing it to the attention of the Board that even when the debt service is gone, this debt of \$170,000 to the City's General Fund will remain.

The Chairman advised that the discussion regarding the financials will continue to next month to allow the board members additional time for review.

b. Continued discussion on rental rates recommendation for FY 2020/21
Begins at 1:10:30 on the YouTube recording

Ms. Miller asked at the last meeting that the Board look at more rental rates of the neighboring Airports. Chairman Neufeld said that of the 15 neighboring airports, the majority are not too comparable. Seventy-five percent of the hangar renters are from out of town. Palatka is a utopia with a very open-air space. We have a beautiful place and we have great fuel rates, so there are things that make us different. The Chairman said that the commercial hangars are not priced below market – it is the T-hangars that are below market price. Discussion continued among the board members regarding thoughts of increasing the rent of the non-commercial T-hangars. Ms. Miller spoke of taking advantage of the benefits of the Airport and the need to begin to become more self-sufficient in regards to the financials. Mr. McClain said that hangars of Airports around us look better than ours. There needs to be an emphasis on sprucing up the Airport. Mr. Rawls said that T Hangars should be competitive and not overpriced. Hangars attract business for commercial tenants and fuel sales. Mr. Youell confirmed that we have 82 customers on the waiting list for hangars, however the actual number of people actively interested in renting t-hangars is probably closer to 30. Mr. Youell said that most of the fuel sales are from transient pilots, not the airplanes in the hangars.

T-Hangar rates of neighboring airports:

Palatka	\$251/Mo.	63 units
Keystone	\$234/Mo.	50 units
Wiliston	\$250/Mo.	40 units
Perry	\$160/Mo.	8 units
Live Oak	\$186/Mo.	32 units
Lake City	\$209/Mo.	24 units
Cross City	\$280/Mo.	8 units
Okechobee Co.	\$290/Mo.	20 units
Valcaria	\$275/Mo.	48 units
Sebring	\$290/Mo.	80 units
Pakokee	\$275/Mo.	10 units
Flagler	\$325/Mo.	56 units
Herlong	\$358/Mo.	101 units
St. Augustine	\$375/Mo.	142 units
Thomasville	\$175/Mo.	55 units

Mr. Browning said he is not opposed to raising the rental rates of the hangars, if it is to be used for repairing the hangars. Chairman Neufeld suggested increasing the rates of the T-hangars by \$25 each per month. Mr. Browning said he needs more time to study the surrounding rental rates of hangars. Mr. McClain said that the City should provide a recommendation to the Advisory Board of what to increase the hangar rates to. He expressed concern that rental income alone will not fully cover the maintenance of the hangars. Ms. Miller asked about grant funding for rehab of Airport facilities. Mr. Holesko responded that regular operating maintenance is not covered by grant funding, but total rehabilitation is. Mr. Rawls asked if adding sliding doors on the hangars could be considered rehabilitation. Mr. Holesko said that the door is apart of the integral structure of the hanger, so it is not usually considered rehabilitation, but he will ask the construction experts of his team to look into it.

Mr. Holmes said he appreciates the Airport Advisory Board's insight. He spoke of concern regarding the appearance of the Airport. He said it is his thought (not recommendation at this time) that hangars should be maintained as people flying into the airport think of how it looks. If the hangars are red iron or steel, maintenance will eventually become an important functional issue due to corrosion. The airports we are competing against are the airports where someone does not have a long-distance drive to put their airplane here. In business you have fixed operating expenses and you have variable expenses, we are down on some decreased activity of those variable expenses. At some point the City will have to look at the Airport, we want it to be all it can be. Mr. Holmes used the Golf Course as an example. He said that at some point, while the City was

running the Golf Course, it was down \$360,000 for the year. However, the private operator has been able to turn the Golf Course around. Last year, the private operator turned a profit - not a landslide profit, but around (positive) +\$30,000, which is substantial from (negative) -\$360,000. If the Board has a strong emphasis on the Airport remaining with the City, we should work to help it break even.

c. Strategic Visioning/Planning Session

Begins at 1:38:10 on the YouTube recording

Chairman Neufeld introduced Andrew Holesko and thanked him for his efforts in the improvements of the airport. Mr. Holesko has worked very well with FDOT and has had a lot of impact on their thoughts of Palatka.

Mr. Holesko presented a SWOT Worksheet to the Board. (This document is available upon request to the office of the Airport Manager.) The items on the worksheet, the Airport Business Plan, are discussed at every meeting. Mr. Holesko said that the next time the Board meets, we can go around the room and discuss our thoughts of the Airport Business Plan/SWOT Workshop. He suggested that at the next meeting the Board spend about 30 minutes discussing the background questions: why does the airport exist and what are the aspirations of the airport. We can discuss privatizing the FBO. It is important that the Board discuss making money and breaking even. Chairman Neufeld said that the next meeting will begin with the background questions A through F from the SWOT worksheet.

5. CLOSING COMMENTS.

Begins at 1:46:12 on the YouTube recording

Mr. Youell said that for the first time in his tenure with the Airport, every piece of real estate at the Airport is currently rented.

Mr. McClain asked Mr. Holesko to come back to the Board next month with ideas to obtain funds to maintain the hangars, as rental income alone cannot pay for maintenance to the hangars.

a. Announce Next Meeting:

Chairman Neufeld said the Airport Advisory Board will meet again October 7, 2020.

ADJOURN at 1:11 p.m.

MOTION to adjourn by Mr. McClain

SECONDED by Ms. Jones

MOTION PASSES UNANIMOUSLY.